

**Letter Report: Our Experience in Asking the
Internal Revenue Service Tax Law Questions
on Its Toll-Free System Was Not Satisfactory**

June 2001

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This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 29, 2001

MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION

A handwritten signature in black ink, reading "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Final Letter Report - Our Experience in Asking the Internal
Revenue Service Tax Law Questions on Its Toll-Free System
Was Not Satisfactory

This report presents the results of the subject review. In summary, our experience in asking the Internal Revenue Service (IRS) tax law questions on its toll-free system often was unsatisfactory. We frequently did not receive an appropriate response and occasionally encountered significant delays in reaching an IRS assistor. Not receiving a quality response to their questions hinders taxpayers in their ability to accurately prepare and file their tax returns.

Improving the Probe and Response Guide used by the IRS' telephone assistors when answering taxpayers' questions will help to increase the quality of service provided. While it will not guarantee taxpayers a high level of service, improving the guide will help to ensure taxpayers receive accurate tax law information for use in preparing their tax returns.

The IRS agrees that this area warrants improvement and has outlined a course of action to address it. However, the IRS did not designate a responsible management official for carrying out this action nor did it establish a target completion date in its response to the draft report. The IRS also did not agree with the methodology that the Treasury Inspector General for Tax Administration used to conduct this review. The IRS' response to the draft report and our comments regarding its concerns with our methodology are included as appendices to this report.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendation. Please contact me at (202) 622-6510 if you have questions or

Walter Arrison, Assistant Inspector General for Audit (Wage and Investment Income Programs), at (770) 936-4590.

Attachments (2)

Letter Report: Our Experience in Asking the Internal Revenue Service Tax Law Questions on Its Toll-Free System Was Not Satisfactory

Objective and Scope

Our objective was to provide an indication of toll-free service provided during the 2001 Filing Season.

The objective of this review was to provide an indication of the quality of and access to the Internal Revenue Service's (IRS) toll-free telephone assistance for individual tax law questions during the 2001 Filing Season. This audit is one of a series designed to evaluate the IRS' effectiveness in providing customer service on its toll-free telephone system. The Treasury Inspector General for Tax Administration is also conducting audits of the adequacy of the IRS' toll-free telephone program quality and quantity measures, service received on the Spanish-Speaking toll-free telephone lines, and the management of the toll-free referral process.¹

To accomplish this review, we judgmentally selected 10 tax law questions asked by Wage and Investment taxpayers. We identified these questions by researching the IRS' list of "Frequently Asked Questions" published on its Internet web site. A listing of the 10 questions can be found in Appendix III. To more accurately reflect the steps a taxpayer would take to contact a telephone assistor, we did not provide our test callers with specific instructions on how to maneuver through the IRS' toll-free telephone menu. In evaluating responses to the questions, we defined quality service as being provided when a telephone assistor provided us with an accurate and complete answer to our question. Appendix V provides examples of how we scored our test calls.

Auditors located in the Atlanta, Austin, Boston, and Seattle metropolitan areas made 368 random test calls during a 4-day period from Friday, February 2, 2001, to Monday, February 5, 2001, between the hours of 6:00 a.m. and 12:00 a.m.

¹ Referral mail is the IRS' process for responding to toll-free telephone questions that cannot be answered during the initial call. Responses are provided to taxpayers via telephone calls or e-mail.

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These 4 days were the highest volume Friday, Saturday, Sunday, and Monday for assistor-answered tax law calls for the month of February. The IRS assistors answered 198,275 tax law questions during our test period.²

This audit was performed in accordance with *Government Auditing Standards*. Because of the limited number of calls we made, our results are not statistically valid but do provide an indication of the quality of service being provided by the IRS on its toll-free telephone system. Major contributors to this report are listed in Appendix I. Appendix II contains the Report Distribution List.

Background

Each year, millions of taxpayers call the toll-free telephone assistance program.

As a result of recent legislation and organizational changes, the IRS has emphasized the importance of providing world-class customer service to taxpayers. Each year, millions of taxpayers call its toll-free telephone assistance program. For example, during Fiscal Year (FY) 2000 the IRS received 94 million calls. In FY 2001, the IRS expects to receive 85 million calls.

When a taxpayer calls the IRS' toll-free number, his/her call is answered by an automated, menu-driven system. The automated system offers the taxpayer a choice of listening to pre-recorded tax information or speaking with a telephone assistor. The taxpayer is also given the option to receive assistance in either English or Spanish. Calls should be routed to the site with the shortest wait time among those assigned to cover the designated toll-free line.

The IRS defined quality service as being provided when a telephone assistor followed all IRS internal procedures and provided the taxpayer with a correct answer to his/her question. It further defined the quality of tax law calls as providing taxpayers with correct and complete tax law (technical) information. During FY 2000, the

² We did not validate the accuracy of the IRS' data.

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IRS reported that it provided a quality response 72 percent of the time. For FY 2001, the IRS hopes to achieve a 74 percent quality rate.

As previously discussed, we defined quality service as the number of times a telephone assistor provided us with an accurate and complete answer to our question. (Answers meeting this criteria are subsequently referred to as “appropriate” responses.)

Results

We were unable to speak to an assistor 37 percent of the time, and the IRS provided appropriate responses 53 percent of the time.

Our experience in asking the IRS tax law questions on its toll-free system was not satisfactory. We attempted to make 368 test calls to the IRS’ toll-free system and were unable to speak to a telephone assistor 37 percent (137 of 368) of the time. When we reached an assistor, the IRS provided appropriate responses to 53 percent of our questions. We did not receive the service requested 47 percent of the time.³

In addition, our test callers sometimes experienced delays attempting to connect to the IRS’ toll-free system and speak to an assistor. However, once we reached an assistor we found most of them to be courteous and professional.

Test Callers Often Did Not Receive the Service Requested

During the 230 calls in which we reached an assistor, we frequently did not receive appropriate responses to our questions. More specifically:

³ We removed (1) 17 calls where the IRS indicated we would receive an answer later via telephone or e-mail and (2) 1 dependent question from the computation of our appropriate response rate because we were unable to reliably determine the appropriateness of the response we received. See Appendix IV, Figure 7.

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- In 79 percent (182 of 230) of the calls, the IRS addressed our question during the initial telephone conversation. It appropriately responded to 56 percent (102 of 182) of these questions. The inappropriate responses occurred because the assistor:
 - Provided an answer but included inaccurate or insufficient information (49 of 80).
 - Avoided a direct answer by referring us to a publication, worksheet, or Internet site (18 of 80).
 - Told us that available assistants were not trained to answer that type of question (11 of 80).

In the remaining two instances, the calls were disconnected. (We were unable to determine if the assistor disconnected the call or if a system failure occurred.)

- During the other 21 percent (48 of 230) of the calls, the IRS advised us that we would receive our answer in a follow-up telephone call or e-mail. Of the 31 responses we received, 35 percent (11 of 31) were appropriate. The 20 inappropriate responses occurred because the assistor:
 - Provided an answer, but included incorrect or insufficient information (17 of 20).
 - Avoided a direct answer by instructing us to use a publication (3 of 20).

Of the 17 questions where the IRS did not respond, it considered 9 of the 17 to be “duplicates”⁴ and no response was provided. In 2 of the 17 instances, the IRS indicated it provided a response; however, we did not receive one. Our call was terminated in 3 of the 17 instances and 3 cases were still pending as of February 20, 2001. (Because the IRS considered

⁴ IRS indicated these questions duplicated questions already contained in its inventory database.

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several of these questions to be “duplicates,” we did not categorize any of the 17 as inappropriate responses.)

Appendix IV, Figure 1 provides additional information about the type of questions we asked and the percentage of appropriate responses we received during our initial telephone conversations. Appendix IV, Figure 2 provides similar information for those questions that the IRS deferred for later response.

In addition to correctly answering a taxpayer’s question, IRS telephone assistors are required to follow a number of internal procedures. For example, the assistors are required to provide their name and identification number to the caller. Assistors are also required to follow the steps outlined in the detailed reference guide provided for their use.

The IRS considers “quality” as both following procedures and providing a correct response.

The IRS has a system to evaluate various aspects of its toll-free telephone system. As discussed earlier, the IRS defines quality service as being provided when a telephone assistor follows all IRS internal procedures and gives the taxpayer a correct and complete answer to his/her question.

The quality rate for our test calls and the IRS’ reported quality rate differed significantly.

Between January 2, 2001, and February 24, 2001, the IRS reported a quality rate of 71 percent for tax law responses. When we factored in whether the assistor provided us with an appropriate answer *and* followed IRS procedures, our calculated quality rate for calls answered during our initial telephone call was 37 percent. In one-half of the calls we made, the assistor did not follow the detailed reference guide.

The difference between our quality rate of 53 percent (See Appendix IV, Figure 7) and the IRS’ 71 percent could be attributed to a number of factors. The IRS’ statistics:

- Are cumulative for the filing season. (Our results represent a 4-day period.)
- Represent the results of eight on-line toll-free call applications. Each application encompasses many

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tax law topics (related to both individual and business taxpayers). (We tested 10 questions relevant to Wage and Investment taxpayers.)

- Do not include the quality of calls received on Sunday. (Our quality rate for this day was slightly lower.)
- Do not include the quality of calls that are deferred for later response. (Two of our questions met this criteria.)
- Include both procedural and technical accuracy.

We plan to conduct an audit to further evaluate how the IRS computes its toll-free tax law accuracy rate.

Inexperience and the Reference Guide Used by Assistors May Have Reduced the Likelihood of Quality Responses

According to the IRS, our test period was generally staffed by the seasonal and newly hired assistors.

The IRS advised us that the quality of the responses we received could have been related to the experience of its telephone assistors. For example, it informed us that the time period we tested was generally staffed by its least experienced assistors (seasonal and new hires). While we did not do an analysis of the IRS' staffing for the toll-free telephone system, inexperience could certainly have contributed to the accuracy of the responses we received. The General Accounting Office also recently reported that the IRS had significant trouble hiring, training, and maintaining its telephone assistors.⁵

The detailed reference guide provided to the assistors was not user-friendly.

Another potential contributing factor may have been the way the detailed reference guide, used by the IRS' assistors, was written. We used this guide during the planning phase of our audit and found that it could be made more user-friendly.

The guide did not provide specific questions to ask when responding to taxpayers' questions. Instead, the guide provided the assistors with prompts to help them

⁵ *IRS Telephone Assistance: Opportunities to Improve Human Capital Management* (GAO-01-144, dated January 2001).

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The electronic version of the guide could not be researched using a key word.

determine the type of information they should be obtaining from the taxpayer. The guide also did not give the assistor any background information about the tax law area the prompts pertain to.

The electronic version of the reference guide also could not be researched using a key word. Subsequent to our testing, the IRS improved the guide by adding the ability to research the guide by tax topic.

An analysis of the answers we received did not identify any other potential reasons for incorrect responses. Appendix IV, Figures 3 and 4 depict the results of our test calls by hour of the day and day of the week.

Not receiving a quality response to their questions hinders taxpayers in their ability to accurately prepare and file their tax returns.

Recommendation

IRS management responsible for the toll-free telephone system should:

1. Evaluate the need to make enhancements to the electronic version of the Probe and Response Guide to make the tool easier and faster to use. For example, the IRS could provide the assistors with detailed background information and specific probing questions for each tax law topic contained in the guide.

Management's Response: The IRS recognizes the need to improve all of its tools and materials for its assistors. The Probe and Response Guide is one of many already targeted for improvement. The IRS is convening a group to recommend and implement changes to the guide to improve technical accuracy and usability, and it will include TIGTA's recommendation in this effort.

The IRS provided additional comments in its response to the draft report regarding the methodology TIGTA used to conduct this review. Our response to these additional comments can be found in Appendix VII.

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Accessing a Telephone Assistor Was Not Always Adequate

We were unable to speak to an assistor in 137 of our 368 call attempts.

We spent a significant amount of time trying to access the toll-free telephone system and waiting to speak to an assistor.

We were unable to speak to a telephone assistor 37 percent (137 of 368) of the time. In 87 of the 137 unsuccessful attempts, we received a recording telling us that due to extremely heavy call volume, only automated services were available at that time. The message continued by telling us if we wished to speak to a representative please hang up and call back another time. In these instances, we were unable to speak with a telephone assistor. We received an actual busy signal in 2 of the 137 instances.⁶ (We have not considered these 137 calls in our analysis of quality responses.)

IRS does not capture its information in a manner that would allow a direct comparison with our results. However, IRS statistics for the period January 2, 2001, through February 24, 2001, for three of its toll-free lines showed of the calls attempted, 18 percent received a busy signal and 23 percent were abandoned before completing the call.⁷ IRS statistics also show that taxpayers spent an average of 7 minutes on the telephone with a tax law assistor.

Our longest time to reach an assistor was 1 hour and 35 minutes.

For our audit test, we were interested in the period of time it would take to speak to a telephone assistor. We calculated the amount of time we spent beginning with our first attempt to reach an assistor and any additional attempts until we reached an assistor. The period of

⁶ We did not record whether the recording or a true busy signal was received in the remaining 48 call attempts. The purpose of our audit test was to evaluate access to a toll-free telephone assistor, not to determine the number of times we were offered automated services.

⁷ Statistics provided for access, busy signals, and abandoned calls pertain to the IRS' three main toll-free lines (1040, 8812, and 4262). We did not validate the accuracy of these statistics.

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time it took for us to reach a telephone assistor averaged 15 minutes and went as high as 1 hour and 35 minutes for the 368 calls we attempted.⁸ The majority of our time was spent waiting for an assistor once we had accessed the toll-free telephone system. The table below shows the average amount of time we spent trying to contact the IRS to get an answer to our tax law questions.

| | |
|---|---------------------------|
| Average Time to Reach Assistor | 15 minutes |
| Minimum Time to Reach Assistor | Less than 1 minute |
| Maximum Time to Reach Assistor | 1 hour 35 minutes |
| Average Time Talking to Assistor | 8 minutes |
| Minimum Time Talking to Assistor | Less than 1 minute |
| Maximum Time Talking to Assistor | 1 hour 4 minutes |

Details of how these times varied based on the time of day and day of the week can be found in Appendix IV, Figures 5 and 6. Our analysis did not identify any significant variances based on these factors. We had the least success accessing the system between the hours of 6:00 a.m. and 7:00 a.m. In addition, we had the most difficulty contacting a telephone assistor on Monday, February 5, 2001.

The IRS has tried to make waiting on its toll-free telephone system more bearable for taxpayers.

The IRS has taken steps to make waiting on its toll-free telephone system more bearable for taxpayers. For example, we received a recorded message letting us know when wait times were expected to exceed 10 minutes. Music was also provided for taxpayers on hold, and the IRS has set up a menu to re-route calls in an effort to reduce the amount of time a taxpayer has to wait to speak to a telephone assistor.

Although the results of our test calls were not statistically valid for projection, they indicate that excessive delays and difficulty connecting to the IRS' toll-free telephone system still existed. These conditions

⁸ Wait times of less than one minute were related to the time we spent accessing the telephone system through the automated menu. Wait times of more than 1 hour were related to time spent re-dialing and time spent holding in the queue while waiting for an assistor.

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imply poor customer service and could be frustrating for taxpayers.

Conclusion

Our experience in asking the IRS tax law questions on its toll-free system often was unsatisfactory. We frequently did not receive an appropriate response and occasionally encountered significant delays in reaching an assistor.

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Appendix I

Major Contributors to This Report

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Appendix II

Report Distribution List

Commissioner N:C
Director, Customer Account Services W:CAS
Director, Legislative Affairs CL:LA
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Program Evaluation and Risk Analysis N:ADC:R:O
Office of Management Controls N:CFO:F:M
Audit Liaisons:
 Commissioner, Wage and Investment Division W
 Director, Customer Account Services W:CAS
 Director, Accounts Management W:CAS:AM

Toll-Free Telephone System Test Questions

We asked the following questions when we contacted the Internal Revenue Service's (IRS) toll-free telephone assistance program. In addition to the questions, the auditors were provided with scripted answers to questions that may have been asked by the assistors.

1. I sold my house this year. Can I exclude the capital gain?

Scenario: You bought a house in November of 1998 and sold it in July of 2000. It was your first home. The reason you sold your home is because of a job transfer to a new city. The home was your main home and you lived in it the entire time you owned it with the exception of the time between closing and moving in. You closed on November 19, 1998, and moved in December 20, 1998. Your filing status is Head of Household.

Answer: Yes, you can exclude the gain on the sale of your home. You do not meet the use and ownership tests. However, your gain is less than the amount you qualify for under the reduced maximum exclusion. The assistor should refer you to the worksheet in Publication 523 on page 13 to determine the amount of your exclusion.

2. Can I claim child care credit for my child care costs that are more than what I paid into my dependent care benefits plan?

Scenario: You file Head of Household and have a 4-year old daughter. Your earned income was \$26,450 and you paid \$4,500 into a dependent care benefits plan. Box 10 of your W-2 shows \$4,500 paid into a dependent care benefit plan. Your daughter goes to a day care center and child care expenses were \$5,100. You have the name, address, and Employer Identification Number for the day care center. You provide the main home (an apartment) for your daughter and pay all living expenses. You are filing with a 1040A and 1040A Schedule 2 for Child and Dependent Care Expenses for Form 1040A.

Answer: No, you cannot take the credit. The assistor may walk you through Part III of Schedule 2, Form 1040A or Form 2441 to determine this.

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3. Can I claim my niece as a dependent?

Scenario: Your niece lived with you for 9 months. Your niece does not work or have any income of her own. You supported your niece and her son for the last 9 months. Your niece is not married. They are both United States citizens.

Answer: You can claim your niece as a dependent.

4. I'm going to sell some stock this year. Do I need to make tax payments to cover the taxes I will owe?

Scenario: You are going to sell some stock that you have had for 6 years. You are single and have always filed single. You have only wage income and the only payments you have are through the withholding on your wages. You do not itemize; you take the standard deduction.

Answer: You do not have to pay estimated taxes for 2001.

5. My employer sent me a 1099-MISC instead of a W-2. The 1099 shows my wages as nonemployee compensation. I was an employee. What do I do?

Scenario: You are a wallpaper hanger. You work for a homebuilder who has hired you to hang wallpaper in new houses that he has built. You provide your own tools and equipment. The builder tells you when and where to work. He also provides the wallpaper and supplies for hanging the wallpaper. You sometimes take other paper hanging jobs on the side when the homebuilder has no work available for you, but you do not advertise your services. The homebuilder pays you \$10.00 an hour. The homebuilder does not provide health insurance, a pension plan, vacation pay, or sick pay.

Answer: You are being treated as a self-employed worker, also referred to as an independent contractor.

If you believe you are an employee and not an independent contractor, you may request a ruling by filing Form SS-8. You must file your income tax return before a determination can be issued.

To file as a nonemployee, you have to report your nonemployee compensation on Form 1040, Schedule C, or Form 1040, Schedule C-EZ. You also need to complete Form 1040, Schedule SE, and pay self-employment tax on your net earnings from self-employment of \$400 or more.

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- 6. I know I cannot take money from my 401(k) plan to buy a house, but can I roll some of it into an Individual Retirement Account (IRA) and then take money out to buy a house?**

Scenario: You have checked with your employer and your distribution from your 401(k) plan is eligible to be rolled into an IRA. You do not want to receive a distribution; you want to roll it directly from your 401(k) into an IRA (direct rollover). You want to roll over \$9,000 to buy your first home. You are 35 years old. You are not married.

Answer: Yes, you can roll over your 401(k) plan into an IRA and then withdraw money to use as a down payment on your first home. You will not have to pay the 10 percent penalty.

- 7. Can I deduct the tuition that I paid for my child's school?**

Scenario: You and your spouse sent your blind child to a special school for the blind in 2000. This was the first year of school for your child. This special school cost you \$12,000. Your adjusted gross income for 2000 was \$67,534.

Answer: You can deduct the tuition you paid for your child to attend a special school for the blind. This deduction can be taken on the Schedule A as a Medical and Dental Expense. The amount you will be able to deduct is that amount that exceeds 7.5 percent of your Adjusted Gross Income.

- 8. I am planning to retire this year and I want to know if my retirement will be taxable.**

Scenario: You are planning to retire in June 2001 from the Department of Agriculture. You are 57 years old. Your retirement benefits are under the Civil Service Retirement System.

Answer: Your retirement annuity will be partially taxable. The part that you contributed to your pension plan can be excluded from income as a recovery of your cost. The Office of Personnel Management will figure the taxable amount of your annuity using the Simplified Method. This will be shown on your Form CSA 1099-R. You may use the Simplified Method Worksheet in the instructions for Form 1040 or Form 1040A or Table 1 in Publication 721 if you would like to figure the tax-free part of your annuity yourself.

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9. Do I owe taxes on my social security?

Scenario: You retired last year. You received social security benefits in the amount of \$6,000. You also received taxable retirement income of \$16,000. The only other income you had is interest income of \$2,400. You are single.

Answer: You do not have to pay taxes on your social security benefits.

10. Can my son get the Earned Income Credit (EIC)?

Scenario: Your son is 18 and not married. He and his girlfriend have a son and they live in a dwelling that your son owns. He made \$6,434 last year. His girlfriend had no income.

Answer: Your son does qualify to take the EIC. The assistor should advise you of the following:¹

- Intentional disregard of rules and regulations of fraud will result in EIC being disallowed in future years.
- The requirement for and the disallowance of the EIC if social security numbers are missing or incorrect.

¹ As required by the IRS Restructuring and Reform Act of 1998 (RRA 98), Pub. L. No. 105-206, 112 Stat. 685.

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Appendix IV

Analysis of Test Call Responses

The tables and graph presented below provide the results of our analysis of the 368 tax law toll-free test calls we made between February 2, 2001, and February 5, 2001. The overall accuracy rate for our test calls, including those answered during the initial telephone call and for calls answered later through a return telephone call or e-mail, was 53 percent (See Figure 7). Our analysis did not provide any indication that the accuracy of responses was affected by either the time of day the call was made or the day of the week the call was made.

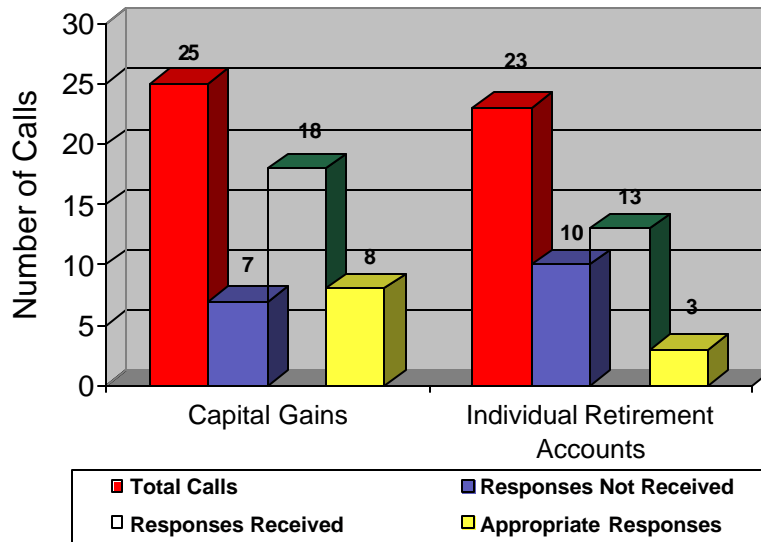
Figure 1: Percentages of Appropriate Responses *

| Type of Question | Number of Times Spoke to an Assistor | Number of Appropriate Responses | Percent of Appropriate Responses |
|------------------------|--------------------------------------|---------------------------------|----------------------------------|
| Child Care Credit | 25 | 10 | 40% |
| Dependents | 25 | 22 | 88% |
| Estimated Tax | 25 | 17 | 68% |
| Nonemployee | 24 | 8 | 33% |
| Itemized Deductions | 24 | 8 | 33% |
| Pensions and Annuities | 12 | 5 | 42% |
| Social Security Income | 23 | 19 | 83% |
| Earned Income Credit | 24 | 13 | 54% |
| TOTAL | 182 | 102 | 56% |

* Includes only those calls answered during the initial telephone call.

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Figure 2: Follow-up Calls and E-Mail Responses *



*Responses not received include duplicates and calls that were terminated before the call was completed. These calls were not considered in our calculation of accuracy.

(Questions #1 and #6 from Appendix III.)

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Figure 3: Results by Hour of the Day ¹

| Hour Calls Were Made | Number of Times Spoke to an Assistor | Number of Appropriate Responses | Percent of Appropriate Responses |
|-----------------------------|---|--|---|
| 6:00 AM | 12 | 6 | 50% |
| 7:00 AM | 12 | 7 | 58% |
| 8:00 AM | 11 | 9 | 82% |
| 9:00 AM | 10 | 7 | 70% |
| 10:00 AM | 13 | 5 | 38% |
| 11:00 AM | 12 | 10 | 83% |
| 12:00 PM | 9 | 6 | 67% |
| 1:00 PM | 12 | 6 | 50% |
| 2:00 PM | 3 | 3 | 100% |
| 3:00 PM | 13 | 9 | 69% |
| 4:00 PM | 6 | 3 | 50% |
| 5:00 PM | 13 | 7 | 54% |
| 6:00 PM | 7 | 3 | 43% |
| 7:00 PM | 5 | 3 | 60% |
| 8:00 PM | 13 | 7 | 54% |
| 9:00 PM | 10 | 3 | 30% |
| 10:00 PM | 11 | 3 | 27% |
| 11:00 PM | 10 | 5 | 50% |
| TOTAL | 182 | 102 | 56% |

- Includes only those calls answered during the initial telephone call.

¹ The table is based on the time our test callers actually placed each call. Therefore, times presented represent Eastern, Central, and Pacific Standard Times.

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Figure 4: Results by Date *

| Date | Number of Times Spoke to an Assistor | Number of Appropriate Responses | Percent of Appropriate Responses |
|------------------|---|--|---|
| February 2, 2001 | 47 | 27 | 57% |
| February 3, 2001 | 45 | 25 | 56% |
| February 4, 2001 | 34 | 18 | 53% |
| February 5, 2001 | 56 | 32 | 57% |
| TOTAL | 182 | 102 | 56% |

* Includes only those calls answered during the initial telephone call.

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Figure 5: Average Wait Time by Hour of the Day ²

| Hour Calls Were Made | Number of Test Calls Placed | Average Wait Time (in minutes) |
|-----------------------------|------------------------------------|---------------------------------------|
| 6:00 AM | 44 | 13 |
| 7:00 AM | 19 | 9 |
| 8:00 AM | 14 | 9 |
| 9:00 AM | 14 | 18 |
| 10:00 AM | 21 | 13 |
| 11:00 AM | 28 | 20 |
| 12:00 PM | 14 | 10 |
| 1:00 PM | 25 | 12 |
| 2:00 PM | 3 | 8 |
| 3:00 PM | 23 | 9 |
| 4:00 PM | 12 | 22 |
| 5:00 PM | 26 | 18 |
| 6:00 PM | 15 | 20 |
| 7:00 PM | 11 | 22 |
| 8:00 PM | 30 | 15 |
| 9:00 PM | 20 | 18 |
| 10:00 PM | 32 | 17 |
| 11:00 PM | 17 | 11 |
| TOTAL | 368 | 15 |

- Calculated wait times include the time we spent re-dialing in an attempt to reach a telephone assistor.

² The table is based on the time our test callers actually placed each call. Therefore, times presented represent Eastern, Central, and Pacific Standard Times.

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Figure 6: Average Wait Time by Date *

| Date | Number of Test Calls Placed | Average Wait Time (in minutes) |
|------------------|------------------------------------|---|
| February 2, 2001 | 93 | 14 |
| February 3, 2001 | 91 | 18 |
| February 4, 2001 | 67 | 17 |
| February 5, 2001 | 117 | 12 |
| TOTAL | 368 | 15 |

* Calculated wait times include the time we spent re-dialing in an attempt to reach a telephone assistor.

Figure 7: Computation of Overall Accuracy Rate

Our overall accuracy rate for all test calls (those answered on-line and those deferred for later response) was 53 percent. This percentage was computed by taking the total number of appropriate responses we received divided by the total number of responses we received. For purposes of this computation, we excluded 17 calls that the IRS deferred for a later response and one dependent question from the total number of responses we received because we were unable to reliably determine the appropriateness of the response the IRS provided.

| Type of Call Received | Number of Calls Received | Total |
|--|---------------------------------|---------------|
| Appropriate Responses – Calls Answered During Initial Call | 102 | |
| Appropriate Responses – Calls Answered Through Return Call or E-Mail | 11 | |
| Total Appropriate Responses Received | | 113 |
| Calls Answered | 231 | |
| Less: Calls Not Answered Through Return Call or E-Mail | 17 | |
| Less: Dependent Call | 1 | |
| Total Calls Answered | | 213 |
| Call Accuracy Rate | | 53.05% |

Test Call Scoring Examples

Below are examples of actual test calls based on call category.

Example of Appropriate Service Received

Question: Can my son claim the earned income credit (EIC)?

Response Received: Contained accurate and complete tax information.

Test Caller's Comments: The Customer Service Representative (CSR) indicated my son could take the EIC and informed me of the penalties for intentional disregard and the use of invalid Social Security Numbers (SSNs). The caller also indicated the CSR spent a good deal of time with the caller and provided good general service.

Example of Inaccurate and/or Insufficient Service

Question: Can my son claim the EIC?

Response Received: Contained inaccurate tax information and did not include all necessary information.

Test Caller's Comments: Caller indicated the CSR provided an incorrect and incomplete response – Cannot claim EIC. Based on the caller's comments, it appears the CSR did not provide information on intentional disregard or the use of invalid SSNs.

Example of Referral to Publication/Worksheet

Question: Can I claim child care credit for my child care costs that are more than what I paid into my dependent care benefits plan?

Response Received: Did not answer the question asked.

Test Caller's Comments: Caller indicated the CSR did not provide an answer. Instead, the CSR referred the caller to Publication 503 and Form 2441.

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Example of Inexperienced CSR – Referral

Question: I'm going to sell some stock this year. Do I need to make tax payments to cover the taxes I will owe?

Response Received: Did not answer the question asked.

Test Caller's Comments: After being on hold 25 minutes, the caller indicated the CSR took personal information and informed the caller that someone would contact him later. The caller indicated no call back was received.

Example of Inexperienced CSR – No Referral

Question: I am planning on retiring this year and I want to know if my retirement will be taxable.

Response Received: Did not answer the question asked.

Test Caller's Comments: Caller was on hold 55 minutes. The caller indicated the CSR told him the site was closed and we would need to call the IRS again.

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Appendix VI

Appendix VII

Appendices VI and VII were placed in separate files due to their size. To see these appendices, please go Adobe PDF file 200140106-Part 2 for Appendix VI, Management's Response to the Draft Report and Part 3 for Appendix VII, TIGTA's Rebuttal to Management's Response.